



Testimony before the Humans Services Committee
opposing HB 5431 AN ACT CONCERNING FRAUDULENT CLAIMS FOR STATE ASSISTANCE
and
supporting SB 280 AN ACT CONCERNING THE DEPARTMENT OF SOCIAL SERVICES

January 29, 2015

Good afternoon, Senator Moore, Representative Abercrombie and members of the Human Services Committee. My name is Lucy Nolan and I am the executive director of End Hunger Connecticut!, a statewide anti-hunger and food security organization that focuses on policy, education and outreach on the federal food programs. We do a significant amount of work on the Supplemental Nutrition Assistance Program, or SNAP (formerly food stamps). I am here today to oppose HB 5431, An Act Concerning Fraudulent Claims for State Assistance and to support SB 280, An Act Concerning the Department of Social Services. For both of these bills I will be addressing how they affect the Supplemental Nutrition Assistance Program, or SNAP.

SNAP is a federally funded program. DSS administers the program through intake, and verification of applicant's eligibility. SNAP pays only for nutrition assistance and the benefit is based on the Thrifty Food Plan, the least expensive food plan of the USDA that translates to an average of \$3.02 per day per participant in Connecticut. The benefits and 50% of the funds to administer the program are paid by the USDA. In 2014 there were 242,982 households, or 438,599 participants, receiving SNAP benefits.¹ Last year Connecticut received over \$697,000,000 in federal funds for SNAP benefits which, due to the multiplier effect² had an economic stimulus to the state of over \$1 billion.

The federal government conducts an annual Quality Control review of the states and the states review themselves monthly. The guidance for the reviews is FNS Handbook 310³. This is a 362 *page handbook* explores the myriad ways in which an error can occur with many scenarios for fraud from clients. One example would be that if a SNAP user has an increase or decrease in household income of more than \$100 he or she must alert DSS to this within 10 days of the increase, or in some cases the knowledge of the increase. If a client takes benefits they were not supposed to get due to an increase in income but failed to report it they can be permanently removed from the program and have to pay the funds back. While this seems an appropriate response, it is not if the client is not able to get through to the department.

With less than 2% error rate SNAP has the least amount of fraud than any federal program. It is at an all-time low. Only 3% of all SNAP benefits represented overpayments, meaning they either went to ineligible households or went to eligible households but in excessive amounts, and more than 98% of

¹ <http://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>

² Every \$5 in new SNAP benefits generates as much as \$9 of economic activity;
http://www.ers.usda.gov/media/134245/err103_reportsummary_1.pdf

³ http://www.fns.usda.gov/sites/default/files/FNS_310_Handbook.pdf

SNAP benefits were issued to eligible households. In fact, the error rate in Connecticut is due more to errors at DSS than with those on the program.⁴

There are already provisions in place to that attend to fraud and abuse of SNAP, and the Connecticut General Statutes already have significant penalties for those who do defraud the government. HB 5431 is not a necessary piece of legislation.

End Hunger Connecticut! supports the concept laid out in SB 280, An Act Concerning the Department of Social Services. While End Hunger Connecticut! is supportive of the work that the department has done with modernization efforts there are many questions as to current efficacy of those efforts. Last January EHC! revamped our SNAP outreach to a call center model. When someone calls us we prescreen them for eligibility, help them set up an account on ConneCT and do the actual application on the web for them. People send us their verifications which we scan to their account. It is a highly successful program. In 2014 we received 12,683 calls to the call center and were able to reach all but 465 people. Out of the calls 520 were for information that people could receive from MyAccount but called us as they could not get through to DSS.

With an average wait time of over 60 minutes, of which 67% of callers abandon the calls after 17 minutes⁵ many people call us for assistance. EHC! has 1 FTE and 2 PTE staffing the call center and yet we were able to prescreen close to 4,000 applicants, help over 2,300 people who are newly eligible, and help with an additional 2,100 applications for people who may have lost benefits from errors by DSS, which creates churning, or reapplications for those who were incorrectly taken off the program. I want to point out that there are people out there who are not getting served by DSS, who might have not received benefits, or lost them, if it were not for EHC! or the other community-based organizations that work to assist people with SNAP benefits. In 2013, the latest numbers from the USDA, Connecticut was last in the nation on timeliness.⁶

DSS is making a concerted effort to get out of last place, yet it may be at the cost of other programs. The people who are applying for programs at DSS are in need. With 1 in 5 Connecticut children living in a home with food hardship and 1 in 8 household without children suffer from food hardship, which means that at some point during the previous year they had difficulty accessing food. It is imperative that given the new modernization efforts and the dire need by the people that are served by DSS that a study be done to ensure the state is on the right track.

DSS has undertaken a huge task. It is at times like this that an outside objective eye may see information that is overlooked by the department as they are "in the weeds". An outside perspective can may help with issues of timeliness, verifications, staffing and appropriate levels of staffing in certain departments, department culture across all offices and benefit segmentation, among other areas of interest, or find information that had not been considered. A perspective from an outside entity may find different solutions to some of the issues that the department has run up against.

End Hunger Connecticut! suggests the language in Section 1 be changed to say that a Task Force of the General Assembly conduct a study of the programs administered by the Department of Social Services.

⁴ <http://www.fns.usda.gov/sites/default/files/snap/2013-state-activity.pdf> (p23).

⁵ Connect Public Dashboard, January 2015, Department of Social Services, available <http://www.cga.ct.gov/med/mh-meetings.asp?sYear=2015>

⁶ <http://www.fns.usda.gov/sites/default/files/arra/FY2013SNAPApplicationProcessingTimeliness.pdf>

The Task Force shall consist of the chairs of the Human Services Committee, or their representatives, representatives of clients who utilize the Department of Social Services, representatives from legal services and community-based organizations that works with clients who access benefits at the department, and others as appropriate deemed by the Human Services Committee.

In subsection c, the language would be changed to remove the Commissioner of Social Services and to replace it with the Task Force of the General Assembly to study the programs administered by the Department of Social Services.

End Hunger Connecticut! asks that the committee also look at a report that was released on January 27, 2015 by the USDA on the roles and effectiveness of community organizations on the SNAP application process.⁷ The report studied several states in which the community organizations assisted with SNAP applications and recertifications, which is very much the same as the community organizations in Connecticut do. The USDA determined that the role the organizations played was an asset to the state department for SNAP procedures.

For the reasons explained above End Hunger Connecticut! respectfully requests that the committee opposed HB 5431, An Act Concerning Fraudulent Claims for State Assistance and supports with the changes outlined in this testimony SB 280, An Act Concerning the Department of Social Services.

Thank you

⁷ <http://www.fns.usda.gov/assessment-roles-and-effectiveness-community-based-organizations-supplemental-nutrition-assistance>